

TREASURY DEPARTMENT



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There is no good reason why every ragged dollar bill spotted by a bank in Seattle or Phoenix or Boston or Miami as being unfit for further circulation should be shipped all the way to Washington for verification and destruction, the Treasury has decided.

Hereafter a billion and a quarter pieces a year of worn-out United States paper currency -- making, if laid flat, a stack as high as 900 Washington Monuments -- previously bundled up and sent to Washington will be verified and destroyed locally by the Federal Reserve banks, at substantial savings to the Government. Reduced shipping costs alone are expected to result in savings of about \$200,000.

Each Federal Reserve bank, acting as Fiscal Agent for the Treasury Department, will cancel and destroy accumulations of worn-out currency after verification of the amounts and genuineness. Destruction will be by shredding and burning. Only small working forces will be required.

The Federal Reserve banks will follow operating procedures provided by the Treasury in verifying and destroying the unfit currency. As an additional security measure, general auditors of the Federal Reserve banks will audit the currency verification units at frequent intervals.

The new plan applies to silver certificates and United States notes, of which about 1,250,000,000 unfit pieces were received at Washington from all over the country during the fiscal year 1952. The Treasury will continue for the time being to retire and destroy all worn-out Federal Reserve currency, of which about 350,000,000 pieces were received in fiscal '52.

In numbers of pieces one dollar bills make up the bulk of the currency which has to be retired because of unfitness. The one dollar bills last about 10 months as a rule, and more than a billion of them are in circulation. Higher denomination bills last much longer.